

Part III - Administrative, Procedural, and Miscellaneous

Haiti Earthquake Occurring in January 2010 Designated as a Qualified Disaster under § 139 of the Internal Revenue Code

Notice 2010-16

This notice designates the Haiti earthquake occurring in January 2010 as a qualified disaster for purposes of § 139 of the Internal Revenue Code.

EARTHQUAKE DISASTER

On January 12, 2010, a magnitude 7.0 earthquake with numerous significant aftershocks affected southern Haiti (“Haiti earthquake”). The earthquake and resulting aftershocks affected approximately 3 million people, and caused extensive damage to dwellings, transportation networks, and infrastructure in Port-au-Prince and the surrounding areas of Haiti. *USAID Haiti - Earthquake Fact Sheet No. 1* (January 13, 2010) and *No. 7* (January 19, 2010).

This notice enables employer-sponsored private foundations to assist certain victims in areas affected by the Haiti earthquake and enables recipients to exclude qualified disaster relief payments from gross income.

QUALIFIED DISASTER RELIEF PAYMENTS EXCLUDED FROM RECIPIENT’S GROSS INCOME

Section 139(a) provides that gross income shall not include any amount received by an individual as a qualified disaster relief payment.

Section 139(b) provides that a qualified disaster relief payment includes any amount paid to or for the benefit of an individual—

(1) to reimburse or pay reasonable and necessary personal, family, living, or funeral expenses (not otherwise compensated for by insurance or otherwise) incurred as a result of a qualified disaster, or

(2) to reimburse or pay reasonable and necessary expenses (not otherwise compensated for by insurance or otherwise) incurred for the repair or rehabilitation of a personal residence or repair or replacement of its contents to the extent that the need for such repair, rehabilitation, or replacement is attributable to a qualified disaster.

Under § 139(c)(3) the term “qualified disaster” includes a disaster resulting from an event that is determined by the Secretary to be of a catastrophic nature.

DESIGNATION AS QUALIFIED DISASTER

The Commissioner of Internal Revenue, pursuant to delegation by the Secretary, has determined that the Haiti earthquake occurring in January 2010 is an event of a catastrophic nature under § 139(c)(3). Therefore, the Haiti earthquake is designated as a qualified disaster under § 139.

SECTION 501(c)(3) ORGANIZATIONS

Employer-sponsored private foundations may choose to provide disaster relief to employee victims of the Haiti earthquake. Like all organizations described in § 501(c)(3), private foundations should exercise due diligence when providing disaster relief as set forth in Publication 3833, *Disaster Relief: Providing Assistance Through Charitable Organizations*.

DRAFTING INFORMATION

The principal author of this notice is Sheldon Iskow of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this notice contact Mr. Iskow at (202) 622-4920 (not a toll-free call).